

# OFFICIAL TRANSCRIPT OF PROCEEDINGS BEFORE THE POSTAL RATE COMMISSION

---

In the Matter of: )  
 ) Docket No.: R2006-1  
POSTAL RATE AND FEE CHANGES )

VOLUME #1

2006 JUN 19 P 1:03

Date: June 16, 2006  
Place: Washington, D.C.  
Pages: 1 through 46

---

## HERITAGE REPORTING CORPORATION

*Official Reporters*  
1220 L Street, N.W., Suite 600  
Washington, D.C. 20005  
(202) 628-4888

## POSTAL RATE COMMISSION

In the Matter of: )  
 ) Docket No.: R2006-1  
POSTAL RATE AND FEE CHANGES )

Suite 200  
Postal Rate Commission  
901 New York Avenue, N.W.  
Washington, D.C.

Volume 1  
Friday, June 16, 2006

The above-entitled matter came on for hearing pursuant to notice, at 10:01 a.m.

BEFORE:

HON. GEORGE A. OMAS, CHAIRMAN  
HON. DAWN A. TISDALE, VICE-CHAIRMAN  
HON. RUTH Y. GOLDWAY, COMMISSIONER  
HON. TONY HAMMOND, COMMISSIONER

APPEARANCES:

On behalf of Advo, Inc.:

THOMAS W. MCLAUGHLIN, Esquire  
JOHN BURZIO, Esquire  
Burzio & McLaughlin  
Canal Square, Suite 540  
1054 31st Street, N.W.  
Washington, D.C. 20007-4403  
(202) 965-4555

On behalf of Alliance of Independent Store Owners and Professionals:

(No Appearance.)

Heritage Reporting Corporation  
(202) 628-4888

APPEARANCES: (Cont'd.)

On behalf of Alliance of Nonprofit Mailers:

DAVID M. LEVY, Esquire  
RICHARD YOUNG, Esquire  
PAUL KEMNITZER, Esquire  
Sidley Austin Brown & Wood, LLP  
1501 K Street, N.W.  
Washington, D.C. 20005-1401  
(202) 736-8214

On behalf of Amazon.com, Inc.:

WILLIAM J. OLSON, Esquire  
JEREMIAH MORGAN, Esquire  
JOHN MILES, Esquire  
William J. Olson, P.C.  
8180 Greensboro Drive, Suite 1070  
McLean, Virginia 22102-3860  
(703) 356-5070

On behalf of American Bankers Association:

GREGORY F. TAYLOR, Esquire  
American Bankers Association  
1120 Connecticut Avenue, N.W.  
Washington, D.C. 20036  
(202) 663-5028

Also on behalf of American Bankers Association:

ROBERT J. BRINKMANN, Esquire  
Law Offices of Robert J. Brinkmann, LLC  
1101 17th Street, N.W., Suite 602  
Washington, D.C. 20036  
(202) 331-3037

Also on behalf of American Bankers Association:

IRVING D. WARDEN, Esquire  
990 Harrison Circle  
Alexandria, Virginia 22304  
(703) 850-7843

Heritage Reporting Corporation  
(202) 628-4888

APPEARANCES: (Cont'd.)

On behalf of American Bankers Association and National Association of Presort Mailers:

On behalf of American Bankers Association:

GREGORY F. TAYLOR, Esquire  
American Bankers Association  
1120 Connecticut Avenue, N.W.  
Washington, D.C. 20036  
(202) 663-5028

Also on behalf of American Bankers Association:

ROBERT J. BRINKMANN, Esquire  
Law Offices of Robert J. Brinkmann, LLC  
1101 17th Street, N.W., Suite 602  
Washington, D.C. 20036  
(202) 331-3037

Also on behalf of American Bankers Association:

IRVING D. WARDEN, Esquire  
990 Harrison Circle  
Alexandria, Virginia 22304  
(703) 850-7843

On behalf of National Association of Presort Mailers:

DAVID M. LEVY, Esquire  
RICHARD YOUNG, Esquire  
PAUL KEMNITZER, Esquire  
Sidley Austin Brown & Wood, LLP  
1501 K Street, N.W.  
Washington, D.C. 20005-1401  
(202) 736-8214

On behalf of American Business Media:

DAVID R. STRAUS, Esquire  
Thompson Coburn, LLP  
1909 K Street, N.W., Suite 600  
Washington, D.C. 20006-1167  
(202) 585-6921

Heritage Reporting Corporation  
(202) 628-4888

APPEARANCES: (Cont'd.)

On behalf of American Postal Workers Union:

DARRYL J. ANDERSON, Esquire  
JENNIFER WOOD, Esquire  
O'Donnell, Schwartz & Anderson, P.C.  
1300 L Street, N.W., Suite 1200  
Washington, D.C. 20005-4126  
(202) 898-1707

On behalf of Association for Mail Electronic Enhancement:

(No Appearance.)

On behalf of Association for Postal Commerce:

RITA L. BRICKMAN, Esquire  
Venable, LLP  
575 7th Street, N.W.  
Washington, D.C. 20004  
(202) 344-8137

On behalf of Association of Alternate Postal Systems:

DAVID R. STRAUS, Esquire  
BONNIE BLAIR, Esquire  
Thompson Coburn, LLP  
1909 K Street, N.W., Suite 600  
Washington, D.C. 20006-1167  
(202) 585-6921

On behalf of Association of American Publishers:

PHILIP MAUSE, Esquire  
JOHN PRZYPYSZNY, Esquire  
Drinker, Biddle & Reath  
1500 K Street, N.W.  
Washington, D.C. 20005  
(202) 842-8819

APPEARANCES: (Cont'd.)

On behalf of Association of Priority Mail Users, Inc.:

WILLIAM J. OLSON, Esquire  
JOHN MILES, Esquire  
JEREMIAH MORGAN, Esquire  
William J. Olson, P.C.  
8180 Greensboro Drive, Suite 1070  
McLean, Virginia 22102-3860  
(703) 356-5070

On behalf of Bank of America Corporation:

DAVID M. LEVY, Esquire  
RICHARD YOUNG, Esquire  
PAUL KEMNITZER, Esquire  
Sidley Austin Brown & Wood, LLP  
1501 K Street, N.W.  
Washington, D.C. 20005-1401  
(202) 736-8214

On behalf of Banta Corporation:

(No Appearance.)

On behalf of Douglas F. Carlson:

(No Appearance.)

On behalf of Conde Nast Publications, Inc.:

(No Appearance.)

On behalf of Continuity Shippers Association:

(No Appearance.)

On behalf of DHL Globalmail:

(No Appearance.)

APPEARANCES: (Cont'd.)

On behalf of DMA Nonprofit Federation:

SENNY BOONE, Executive Director  
DMA Nonprofit Federation  
1111 19th Street, N.W., Suite 1180  
Washington, D.C. 20036  
(202) 861-2498

Also on behalf of DMA Nonprofit Federation:

CAROLYN EMIGH  
Nonprofit Service Group  
1601 North Kent Street, Suite 1201  
Arlington, Virginia 22209  
(703) 528-7525

On behalf of DST Mailing Services, Inc.:

MICHAEL W. HALL, Esquire  
Law Offices of Michael W. Hall  
35396 Millville Road  
Middleburg, Virginia 20117  
(540) 687-3151

On behalf of DigiStamp, Inc.:

(No Appearance.)

On behalf of Direct Marketing Association, Inc.:

(No Appearance.)

On behalf of Discover Financial Services & Morgan Stanley, Inc.:

ROBERT J. BRINKMANN, Esquire  
Law Offices of Robert J. Brinkmann, LLC  
1101 17th Street, N.W., Suite 602  
Washington, D.C. 20036  
(202) 331-3037

APPEARANCES: (Cont'd.)

Also on behalf of Discover Financial Services & Morgan Stanley, Inc.:

IRVING D. WARDEN, Esquire  
990 Harrison Circle  
Alexandria, Virginia 22304  
(703) 850-7843

On behalf of District Photo, Inc.:

WILLIAM J. OLSON, Esquire  
JOHN MILES, Esquire  
JEREMIAH MORGAN, Esquire  
William J. Olson, P.C.  
8180 Greensboro Drive, Suite 1070  
McLean, Virginia 22102-3860  
(703) 356-5070

On behalf of Dow Jones & Company, Inc.:

MICHAEL F. MCBRIDE, Esquire  
RANDOLPH MCEVOY, Esquire  
LeBoeuf, Lamb, Green & MacRae, LLP  
1875 Connecticut Avenue, N.W., Suite 1200  
Washington, D.C. 20009-5728  
(202) 986-8000

On behalf of GrayHair Software, Inc.:

(No Appearance.)

On behalf of Greeting Card Association:

JAMES HORWOOD, Esquire  
PETER HOPKINS, Esquire  
ELAINE LIPPMAN, Esquire  
Spiegel & McDiarmid  
1333 New Hampshire Avenue, N.W., 2nd Floor  
Washington, D.C. 20036  
(202) 393-4000



APPEARANCES: (Cont'd.)

Also on behalf of Greeting Card Association:

DAVID F. STOVER, Esquire  
2970 South Columbus Street, #1B  
Arlington, Virginia 22206-1450  
(703) 998-2568

On behalf of Growing Family, Inc.:

DAVID R. STRAUS, Esquire  
Thompson Coburn, LLP  
1909 K Street, N.W., Suite 600  
Washington, D.C. 20006-1167  
(202) 585-6921

On behalf of HSBC North America Holdings, Inc.:

JEFFREY BERLIN, Esquire  
Sidley Austin, LLP  
1501 K Street, N.W.  
Washington, D.C. 20005-1401  
(202) 736-8178

On behalf of Magazine Publishers of America:

DAVID M. LEVY, Esquire  
RICHARD YOUNG, Esquire  
PAUL KEMNITZER, Esquire  
Sidley Austin Brown & Wood, LLP  
1501 K Street, N.W.  
Washington, D.C. 20005-1401  
(202) 736-8214

Mail Order Association of America:

DAVID C. TODD, Esquire  
Patton Boggs, LLP  
2550 M Street, N.W.  
Washington, D.C. 20037-1350  
(202) 457-6410

APPEARANCES: (Cont'd.)

On behalf of Mailing & Fulfillment Service Association:

RITA L. BRICKMAN, Esquire  
IAN D. VOLNER, Esquire  
Venable, LLP  
575 7th Street, N.W.  
Washington, D.C. 20004  
(202) 344-8137

On behalf of Major Mailers Association:

MICHAEL W. HALL, Esquire  
Law Offices of Michael W. Hall  
35396 Millville Road  
Middleburg, Virginia 20117  
(540) 687-3151

On behalf of The McGraw-Hill Companies, Inc.:

TIMOTHY W. BERGIN, Esquire  
Hall, Estill, Hardwick, Gable, Golden & Nelson, P.C.  
1120 20th Street, N.W.  
Suite 700, North Building  
Washington, D.C. 20036-3406  
(202) 973-1224

On behalf of National Association of Postmasters of the  
United States:

(No Appearance.)

On behalf of National Association of Presort Mailers:

DAVID M. LEVY, Esquire  
RICHARD YOUNG, Esquire  
PAUL KEMNITZER, Esquire  
Sidley Austin Brown & Wood, LLP  
1501 K Street, N.W.  
Washington, D.C. 20005-1401  
(202) 736-8214

APPEARANCES: (Cont'd.)

On behalf of National Newspaper Association:

TONDA RUSH, Esquire  
King & Ballow  
P.O. Box 50301  
Arlington, Virginia 22205  
(703) 812-8989

On behalf of National Postal Mail Handlers Union:

(No Appearance.)

On behalf of National Postal Policy Council, Inc.:

DAVID M. LEVY, Esquire  
RICHARD YOUNG, Esquire  
PAUL KEMNITZER, Esquire  
Sidley Austin Brown & Wood, LLP  
1501 K Street, N.W.  
Washington, D.C. 20005-1401  
(202) 736-8214

On behalf of Newspaper Association of America:

WILLIAM B. BAKER, Esquire  
Wiley, Rein & Fielding, LLP  
1776 K Street, N.W.  
Washington, D.C. 20006-2304  
(202) 719-7255

On behalf of the Office of the Consumer Advocate:

SHELLEY S. DREIFUSS, Esquire  
KENNETH E. RICHARDSON, Esquire  
EMMETT RAND COSTICH, Esquire  
Postal Rate Commission  
Office of the Consumer Advocate  
901 New York Avenue, N.W., Suite 200  
Washington, D.C. 20268  
(202) 789-6837

APPEARANCES: (Cont'd.)

On behalf of Parcel Shippers Association:

TIMOTHY J. MAY, Esquire  
Patton Boggs, LLP  
2550 M Street, N.W.  
Washington, D.C. 20037-1350  
(202) 457-6050

On behalf of Pitney Bowes, Inc.:

JAMES PIERCE MYERS, Esquire  
1211 Connecticut Avenue, N.W., Suite 610  
Washington, D.C. 20036  
(202) 331-8315

Also on behalf of Pitney Bowes, Inc.:

MICHAEL SCANLON, Esquire  
Preston Gates Ellis & Rouvelas Meeds, LLP  
1735 New York Avenue, N.W., Suite 500  
Washington, D.C. 20006  
(202) 661-3764

On behalf of David B. Popkin:

(No Appearance.)

On behalf of Quad/Graphics, Inc.:

(No Appearance.)

On behalf of R.R. Donnelley & Sons Company:

RITA L. BRICKMAN, Esquire  
IAN D. VOLNER, Esquire  
Venable, LLP  
575 7th Street, N.W.  
Washington, D.C. 20004  
(202) 344-8137

On behalf of Return Mail, Inc.:

(No Appearance.)

Heritage Reporting Corporation  
(202) 628-4888

APPEARANCES: (Cont'd.)

On behalf of Saturation Mailers Coalition:

THOMAS W. MCLAUGHLIN, Esquire  
JOHN BURZIO, Esquire  
Burzio & McLaughlin  
Canal Square, Suite 540  
1054 31st Street, N.W.  
Washington, D.C. 20007-4403  
(202) 965-4555

On behalf of Time Warner, Inc.:

TIMOTHY KEEGAN, Esquire  
JOHN BURZIO, Esquire  
Burzio & McLaughlin  
Canal Square, Suite 540  
1054 31st Street, N.W.  
Washington, D.C. 20007-4403  
(202) 965-4555

On behalf of U.S. News & World Report, LP:

(No Appearance.)

On behalf of United Parcel Service:

JOHN E. MCKEEVER, Esquire  
LAURA BIANCKE, Esquire  
PHILLIP WILSON, Esquire  
DLA Piper Rudnick Gray Cary US, LLP  
One Liberty Place  
1650 Market Street, Suite 4900  
Philadelphia, Pennsylvania 19103-7300  
(215) 656-3310

On behalf of Valpak Dealers' Association, Inc.:

WILLIAM J. OLSON, Esquire  
JOHN MILES, Esquire  
JEREMIAH MORGAN, Esquire  
William J. Olson, P.C.  
8180 Greensboro Drive, Suite 1070  
McLean, Virginia 22102-3860  
(703) 356-5070

Heritage Reporting Corporation  
(202) 628-4888

APPEARANCES: (Cont'd.)

On behalf of Valpak Direct Marketing Systems, Inc.:

WILLIAM J. OLSON, Esquire  
JOHN MILES, Esquire  
JEREMIAH MORGAN, Esquire  
William J. Olson, P.C.  
8180 Greensboro Drive, Suite 1070  
McLean, Virginia 22102-3860  
(703) 356-5070

On behalf of Washington Mutual Bank:

TIMOTHY J. MAY, Esquire  
Patton Boggs, LLP  
2550 M Street, N.W.  
Washington, D.C. 20037-1350  
(202) 457-6050

On behalf of Karl Wesner:

(No Appearance.)

On behalf of United States Postal Service:

DANIEL J. FOUCHEAUX, Esquire  
ELIZABETH REED, Esquire  
United State Postal Service  
475 L'Enfant Plaza West, S.W., Room 6536  
Washington, D.C. 20260-1137  
(202) 268-2989

P R O C E E D I N G S

(10:01 a.m.)

CHAIRMAN OMAS: Good morning, everyone. We have a packed house today.

As you all know, this is the first prehearing conference in Docket R2006-1 concerning the request of the United States Postal Service for rate and fee changes.

I am George Omas, Chairman of the Postal Rate Commission. With me this morning is Vice Chairman Dawn Tisdale and Commissioners Ruth Goldway and Tony Hammond.

I see many familiar faces in the hearing room today, but I will take a couple of minutes to mention a few standing committee practices. Also, a number of you may not be familiar with our new facility.

As many of you know, the Commission moved to our new offices last summer. This hearing room is equipped with ceiling microphones, and as a result counsel should no longer have to move to the front of the hearing room in order to secure a microphone.

When you want to say something for the record just stand and speak clearly, and the ceiling microphones should enable the reporter to record your

1 statement.

2 Madam Reporter, if you have any trouble  
3 please let me know. Just sort of look and give me the  
4 signal.

5 Now, to state the obvious, it's best if  
6 several people don't talk at the same time. As topics  
7 arise, I promise to give everyone a chance to be  
8 heard. Again, when it's your turn just stand and  
9 speak as clearly as possible.

10 Hearings for the receipt of evidence begin  
11 promptly at 9:30 a.m. We normally go about an hour  
12 and a half between breaks. Each day we expect to  
13 complete the appearances of all scheduled witnesses.  
14 Therefore, if it be necessary hearings may extend well  
15 into the evening. Hearings are available via real  
16 time web streaming from our website, [www.prc.gov](http://www.prc.gov), so  
17 counsel can follow the hearing progress.

18 There are forms noting the appearances  
19 available at the reporter's table. If you wish to  
20 purchase transcripts, you should see the reporter  
21 after today's conference or use the contact  
22 information available on the Commission's website.

23 Information on scheduling, document  
24 availability, the webcasting of these hearings and  
25 other administrative matters will always be posted on



1 the website. Transcripts will appear on the  
2 Commission's website seven days after a hearing takes  
3 place.

4 At this point I would like to ask counsel to  
5 identify themselves for the record. As I call your  
6 organization or your firm, please not only state your  
7 name, but also repeat your affiliation.

8 Advo, Inc.?

9 MR. MCLAUGHLIN: Mr. Chairman, Thomas  
10 McLaughlin for Advo, Inc., and appearing with me will  
11 be John Burzio.

12 CHAIRMAN OMAS: Thank you.

13 Alliance of Independent Store Owners and  
14 Professionals?

15 (No response.)

16 CHAIRMAN OMAS: Alliance of Nonprofit  
17 Mailers?

18 MR. LEVY: Good morning, Mr. Chairman.  
19 David Levy with Sidley Austin. Also appearing will be  
20 my colleagues, Richard Young and Paul Kemnitzer, who  
21 are sitting immediately to my right.

22 We'll be appearing in addition to the  
23 Alliance of Nonprofit Mailers also for the Bank of  
24 America.

25 CHAIRMAN OMAS: Well, we'll get to those

1 individually. Thank you.

2 Amazon.com, Inc.?

3 MR. OLSON: Mr. Chairman, William Olson  
4 representing Amazon.com and Jeremiah Morgan who is  
5 with me and John Miles at our firm.

6 CHAIRMAN OMAS: Thank you.

7 American Bankers Association?

8 MR. TAYLOR: Good morning, Mr. Chairman.  
9 Greg Taylor for the American Bankers Association.  
10 Appearing with us would be Mr. Bob Brinkmann and Mr.  
11 Irv Warden.

12 CHAIRMAN OMAS: Thank you.

13 American Bankers Association and National  
14 Association of Presort Mailers?

15 MR. LEVY: Mr. Chairman, David Levy, same  
16 counsel for the National Association of Presort  
17 Mailers, and the previous counsel for ABA will be  
18 representing the ABA.

19 CHAIRMAN OMAS: Thank you.

20 American Business Media?

21 MR. STRAUS: Good morning. David Straus,  
22 Thompson Coburn, for American Business Media.

23 CHAIRMAN OMAS: American Postal Workers  
24 Union?

25 MR. ANDERSON: Good morning, Mr. Chairman.

1 Darryl Anderson of O'Donnell, Schwartz & Anderson, and  
2 with me is my colleague, Jennifer Wood, representing  
3 the American Postal Workers Union.

4 CHAIRMAN OMAS: Association for Mail  
5 Electronic Enhancement?

6 (No response.)

7 CHAIRMAN OMAS: Association for Postal  
8 Commerce?

9 MS. BRICKMAN: Good morning, Mr. Chairman,  
10 Commissioners. Rita Brickman of Venable. Also  
11 appearing with me today, who are not here today, will  
12 be Ian Volner, Jennifer Mallon and Matthew Field.

13 CHAIRMAN OMAS: Thank you.

14 Association of Alternate Postal Systems?

15 MR. STRAUS: For Association of Alternate  
16 Postal Systems, David Straus of Thompson Coburn. Also  
17 representing AAPS will be my partner, Bonnie Blair.

18 CHAIRMAN OMAS: Association of American  
19 Publishers?

20 MR. MAUSE: Good morning, Mr. Chairman. For  
21 Association of American Publishers, Philip Mause of  
22 Drinker, Biddle & Reath. John Przypyszny will be  
23 appearing with me.

24 CHAIRMAN OMAS: Thank you.

25 Association of Priority Mail Users, Inc.?

1 MR. OLSON: Mr. Chairman, William Olson,  
2 John Miles and Jeremiah Morgan representing APMU.

3 CHAIRMAN OMAS: Bank of America Corporation?

4 MR. LEVY: Mr. Chairman, David Levy, Richard  
5 Young and Paul Kemnitzer.

6 CHAIRMAN OMAS: Banta Corporation?

7 (No response.)

8 CHAIRMAN OMAS: Douglas F. Carlson?

9 (No response.)

10 CHAIRMAN OMAS: Conde Nast Publications,  
11 Inc.?

12 (No response.)

13 CHAIRMAN OMAS: Continuity Shippers  
14 Association?

15 (No response.)

16 CHAIRMAN OMAS: DHL Globalmail?

17 (No response.)

18 CHAIRMAN OMAS: DMA Nonprofit Federation?

19 MS. BOONE: Good morning, Mr. Chairman.  
20 Senny Boone appearing on behalf of DMA Nonprofit  
21 Federation, together with Carolyn Emigh.

22 CHAIRMAN OMAS: DST Mailing Services, Inc.?

23 MR. HALL: Good morning, Mr. Chairman. Mike  
24 Hall on behalf of DST Mailing Services.

25 CHAIRMAN OMAS: Thank you.

1                   DigiStamp, Inc.?

2                   (No response.)

3                   CHAIRMAN OMAS: Direct Marketing  
4 Association, Inc.?

5                   (No response.)

6                   CHAIRMAN OMAS: Discover Financial Services,  
7 Inc. & Morgan Stanley, Inc.?

8                   MR. BRINKMANN: Good morning, Mr. Chairman.  
9 Bob Brinkmann on behalf of Discover and Morgan  
10 Stanley, and with me will be Irv Warden.

11                  CHAIRMAN OMAS: District Photo, Inc.?

12                  MR. OLSON: Mr. Chairman, William Olson,  
13 John Miles and Jeremiah Morgan for District Photo.

14                  CHAIRMAN OMAS: Dow Jones & Company, Inc.?

15                  MR. MCBRIDE: Good morning, Mr. Chairman,  
16 members of the Commission. Michael F. McBride,  
17 LeBoeuf, Lamb, Green & MacRae for Dow Jones & Company,  
18 Inc. With me will be my associate, Randolph McEvoy.

19                  CHAIRMAN OMAS: GrayHair Software, Inc.?

20                  (No response.)

21                  CHAIRMAN OMAS: Greeting Card Association?

22                  MR. HORWOOD: Good morning, Mr. Chairman,  
23 members of the Commission. James Horwood, Peter  
24 Hopkins and Elaine Lippman of Spiegel & McDiarmid and  
25 David Stover for Greeting Card Association.

1 CHAIRMAN OMAS: Growing Family?

2 MR. STRAUS: David Straus, Thompson Coburn,  
3 for Growing Family, Inc.

4 CHAIRMAN OMAS: HSBC North America Holdings,  
5 Inc.?

6 MR. BERLIN: Good morning, Mr. Chairman.  
7 Jeffrey Berlin of Sidley Austin for HSBC North America  
8 Holdings.

9 CHAIRMAN OMAS: Thank you. Magazine  
10 Publishers of America, Inc.?

11 MR. LEVY: Mr. Chairman, David Levy of  
12 Sidley Austin with Richard Young and Paul Kemnitzer.

13 CHAIRMAN OMAS: Mail Order Association of  
14 America?

15 MR. TODD: Mr. Chairman, David Todd.

16 CHAIRMAN OMAS: Mailing & Fulfillment  
17 Service Association?

18 (No response.)

19 CHAIRMAN OMAS: Major Mailers Association?

20 MR. HALL: Good morning again, Mr. Chairman.  
21 Mike Hall for Major Mailers Association.

22 CHAIRMAN OMAS: The McGraw-Hill Companies,  
23 Inc.?

24 MR. BERGIN: Good morning, Mr. Chairman and  
25 Commissioners. Tim Bergin of the firm Hall Estill,

Heritage Reporting Corporation  
(202) 628-4888

1 McGraw-Hill Companies.

2 CHAIRMAN OMAS: National Association of  
3 Postmasters of the United States?

4 (No response.)

5 CHAIRMAN OMAS: National Association of  
6 Presort Mailers?

7 MR. LEVY: Mr. Chairman, David Levy, Richard  
8 Young and Paul Kemnitzer.

9 CHAIRMAN OMAS: National Newspaper  
10 Association?

11 MS. RUSH: Mr. Chairman, Tonda Rush with  
12 King & Ballow for National Newspaper Association.

13 CHAIRMAN OMAS: National Postal Mail  
14 Handlers Union?

15 (No response.)

16 CHAIRMAN OMAS: National Postal Policy  
17 Council?

18 MR. LEVY: This is my last time. David  
19 Levy, Richard Young and Paul Kemnitzer.

20 CHAIRMAN OMAS: Newspaper Association of  
21 America?

22 MR. BAKER: William Baker of Wiley, Rein &  
23 Fielding for the Newspaper Association of America.

24 CHAIRMAN OMAS: Office of the Consumer  
25 Advocate?

1 MS. DREIFUSS: Good morning. I'm Shelley  
2 Dreifuss for the Office of the Consumer Advocate.  
3 With me today is Kenneth Richardson, and Rand Costich  
4 will also appear.

5 CHAIRMAN OMAS: Parcel Shippers Association?

6 MR. MAY: Good morning, Mr. Chairman. Tim  
7 May of Patton Boggs for the Parcel Shippers  
8 Association.

9 CHAIRMAN OMAS: Pitney Bowes, Inc.?

10 MR. MYERS: Good morning, Mr. Chairman.  
11 Pierce Myers. Appearing with me will be Michael  
12 Scanlon of the firm of Preston Gates Ellis & Rouvelas  
13 Meeds.

14 CHAIRMAN OMAS: Thank you.

15 David B. Popkin?

16 (No response.)

17 CHAIRMAN OMAS: Quad/Graphics, Inc.?

18 (No response.)

19 CHAIRMAN OMAS: R.R. Donnelley & Sons  
20 Company?

21 MS. BRICKMAN: Mr. Chairman, Rita Brickman  
22 and Ian Volner appearing on behalf of R.R. Donnelley.

23 Actually, we're also appearing on behalf of  
24 the Mailing & Fulfillment Services Association. I  
25 just wasn't quick enough earlier.



1 CHAIRMAN OMAS: Return Mail, Inc.?

2 (No response.)

3 CHAIRMAN OMAS: Saturation Mailers  
4 Coalition?

5 MR. MCLAUGHLIN: Mr. Chairman, Tom  
6 McLaughlin for SMC, and appearing with me will be John  
7 Burzio.

8 CHAIRMAN OMAS: Time Warner, Inc.?

9 MR. BURZIO: Good morning, Mr. Chairman,  
10 Commissioners. Timothy Keegan appearing with my  
11 partner, John Burzio, for Time Warner, Inc.

12 CHAIRMAN OMAS: U.S. News & World Report,  
13 LP?

14 (No response.)

15 CHAIRMAN OMAS: United Parcel Service?

16 MR. MCKEEVER: Good morning, Mr. Chairman,  
17 members of the Commission. My name is John McKeever  
18 of DLA Piper Rudnick Gray Cary. My colleagues, Laura  
19 Biancke and Phillip Wilson, will also be appearing on  
20 behalf of UPS.

21 CHAIRMAN OMAS: Valpak Dealers' Association,  
22 Inc.?

23 MR. OLSON: Mr. Chairman, William Olson,  
24 John Miles and Jeremiah Morgan for Valpak Direct  
25 Marketing Systems, Inc. and the Valpak Dealers

1 Association.

2 CHAIRMAN OMAS: Valpak Direct Marketing  
3 Systems, Inc.? Just for the record so it's all there.

4 MR. OLSON: The same information. William  
5 Olson, John Miles and Jeremiah Morgan for VPDA. Thank  
6 you.

7 CHAIRMAN OMAS: Thank you.  
8 Washington Mutual Bank?

9 MR. MAY: Mr. Chairman, Tim May of Patton  
10 Boggs for Washington Mutual Bank.

11 CHAIRMAN OMAS: Karl Wesner?  
12 (No response.)

13 CHAIRMAN OMAS: Is there anyone I've missed  
14 or have not called out?

15 MR. FOUCHEAUX: Mr. Chairman, I guess we're  
16 the people that need no introduction.

17 (Laughter.)

18 MR. FOUCHEAUX: I don't want to miss the  
19 opportunity. My name is Dan Foucheaux. I represent  
20 the United States Postal Service.

21 I won't go through the entire list of my  
22 colleagues, but I will direct you to the cover of our  
23 request, which has the complete listing with the  
24 exception and I would like to take the opportunity to  
25 introduce our newest addition. Elizabeth Reed is a

Heritage Reporting Corporation  
(202) 628-4888

1 recent law school graduate and will be joining us on  
2 the case. I think you'll see great things from her.

3 CHAIRMAN OMAS: Welcome, Elizabeth.

4 MS. REED: Thank you.

5 CHAIRMAN OMAS: Thank you, Mr. Foucheaux.

6 Notwithstanding these introductions for the  
7 record, I ask that during the hearing counsel identify  
8 themselves to the reporter before speaking. That sort  
9 of keeps everything in order, and that way we know  
10 who's speaking. It just makes for a better  
11 transcript.

12 Yesterday I granted a Postal Service motion  
13 to submit materials subject to protective conditions.  
14 The Commission would rather avoid protective  
15 conditions whenever possible, but we recognize that in  
16 some instances they are necessary.

17 It is very important then when documents are  
18 submitted subject to protective conditions the  
19 Commission procedures assure that the sensitive  
20 material involved is protected. Therefore, I intend  
21 to adopt procedural requirements for materials  
22 submitted subject to protective conditions. Our  
23 current thinking is:

24 1) Materials subject to protective  
25 conditions should not be filed on-line. All such

1 materials should be provided to our Docket Section in  
2 hard copy form. If the information is in an  
3 electronic form an appropriate tangible media should  
4 be provided, that is a CD, tape, disk, et cetera.

5 2) The tangible material subject to  
6 protective conditions, whether paper or electronic  
7 media, should be provided in a sealed envelope marked  
8 Confidential. Do not post on website. There should  
9 be a statement on the envelope relating to the  
10 confidential material to a notice of filing submitted  
11 through our filing on-line system.

12 3) The electronic notice indicating that  
13 confidential material is being filed with the  
14 Commission should include at the end of the title the  
15 words Protected Material. It will be particularly  
16 helpful if in the formatting the title of such a  
17 document the words Protected Material appear by  
18 themselves as in the last line of the title.

19 Does any participant here today have any  
20 comments on this topic?

21 (No response.)

22 CHAIRMAN OMAS: Thank you.

23 Since the very first Commission rate case  
24 filed in 1991, we have followed the practice of  
25 transcribing all direct testimony except for that

1 provided by the Postal Service. Our rules require the  
2 Postal Service to provide all Intervenors with a copy  
3 of its request, including its direct testimony.

4 In the early days of the Commission,  
5 participants could not always provide every other  
6 participant with hard copies of their testimony.  
7 Therefore, it was necessary to collect testimony in  
8 the transcripts.

9 Now that the Commission uses electronic  
10 filing and all testimony is readily available on the  
11 Commission website, it may no longer be necessary to  
12 transcribe testimony. On the other hand, we  
13 transcribe written and oral cross-examination that  
14 clarifies and explains the prefiled testimony. It may  
15 be that the counsel finds it convenient to have  
16 testimony transcribed in the same place as the related  
17 cross-examination.

18 Would anyone like to comment on whether we  
19 should, one, transcribe all testimony, transcribe all  
20 testimony except that of the Postal Service, or no  
21 longer transcribe prefiled testimony?

22 Does anyone have any comment? Mr. Levy?

23 MR. LEVY: Thank you, Mr. Chairman. My  
24 suggestion would be that the Commission discontinue  
25 adding the transcript to contain photocopies of any

1 parties' written prefiled testimony. We often get  
2 copies of it, as you pointed out, through the website.

3 That would also be consistent with the  
4 practice of other administrative agencies before which  
5 most of us practice so that the transcript would  
6 contain the live cross-examination and any other live  
7 words, oral words, and could also contain the  
8 designated interrogatory answers, which is convenient,  
9 but would not contain prefiled testimony of any party.

10 CHAIRMAN OMAS: Thank you.

11 MR. STRAUS: Mr. Chairman?

12 CHAIRMAN OMAS: Yes, Mr. Straus?

13 MR. STRAUS: I concur with Mr. Levy. I  
14 would just note that at other agencies the practice  
15 is, as it should be here, if it's not going to be  
16 transcribed or copied into the record that testimony  
17 be marked as an exhibit for easy reference so that,  
18 for example, references in briefs don't have to say  
19 the direct testimony of so and so, but just say  
20 Exhibit Advo-1 or ABM-1.

21 The first exhibit for a party would  
22 essentially be the direct testimony and then related  
23 exhibits. I think that would assist the parties in  
24 identifying what testimony is being referred to.

25 CHAIRMAN OMAS: Thank you.

1                   Is there anyone else? Mr. Baker?

2                   MR. BAKER: Mr. Chairman, occasionally  
3 witnesses make last-minute changes to their testimony  
4 by hand on the day of their appearance, which in the  
5 past have been incorporated into the written  
6 transcript.

7                   I agree with the other speakers that there's  
8 no particular need to have the prefiled testimony in  
9 the transcript, but I think if witnesses make changes  
10 to their testimony on the day of the appearance it  
11 would be helpful if the parties subsequently filed  
12 amended testimony on the website.

13                  CHAIRMAN OMAS: Thank you, Mr. Baker.

14                  Is there anyone else?

15                  (No response.)

16                  CHAIRMAN OMAS: Thank you very much for your  
17 comments.

18                  In Order No. 1465, the Commission asked  
19 participants to identify topics for discussion in  
20 today's conference by June 7. The Postal Service  
21 provided the only response by that date in which it  
22 suggested the discovery on its request continue  
23 through July 12 and that Intervenor's cases be due on  
24 or before September 1.

25                  However, yesterday afternoon the Office of

Heritage Reporting Corporation  
(202) 628-4888

1 Consumer Advocate filed a motion for a longer  
2 discovery schedule, arguing for a 90-day period that  
3 would end on August 2.

4 Under the Commission rules, written  
5 responses to OCA's motion will be due next Thursday,  
6 June 22. At this time, however, I invite participants  
7 to offer their comments on this procedural schedule,  
8 including any specific alternatives you may wish to  
9 propose.

10 MR. FOUCHEAUX: Mr. Chairman, Dan Foucheaux  
11 for the Postal Service.

12 Not surprisingly, the Postal Service opposes  
13 the OCA's motion. It's not so much that I disagree  
14 strongly with everything said in the motion. Ms.  
15 Dreifuss makes some very good points.

16 Nevertheless, I think the Postal Service, in  
17 proposing a July 12 cutoff for discovery against the  
18 Postal Service, made a very reasonable proposal that's  
19 consistent with the historical practice of the  
20 Commission and in fact the last conventional rate case  
21 we had in R2000-1.

22 I believe there are a lot of important  
23 reasons why OCA has really asked for way too much  
24 time. Ms. Dreifuss makes the important point that  
25 this has been referred to as the mother of all rate



1 cases. Quite frankly, neither in the way it's  
2 constructed, what's been proposed nor how it's  
3 developed so far I don't think it lives up to that  
4 title.

5 It is an important case. It is a  
6 complicated case. The Postal Service has proposed  
7 much more in the way of changes than we have in the  
8 last two cases. Obviously those two cases were  
9 intended to settle. R2001-1, at the Chairman's  
10 direction, was settled successfully. The settlement  
11 was a foundation of R2005-1, and we successfully  
12 pulled that off with the Commission's assistance.

13 We therefore have a lot of catching up to do  
14 in terms of classification changes, and admittedly  
15 there are a number of those in this case.  
16 Nevertheless, for somebody that's been around a long  
17 time I can say that it's not dramatically bigger, if  
18 any bigger, than other cases.

19 Docket No. R90-1 strikes me as a very  
20 complicated case that was full of classification  
21 proposals. Frankly, the experience so far belies the  
22 identification of the case as the mother of all rate  
23 cases. It might be the sister of all rate cases.

24 (Laughter.)

25 MR. FOUCHEAUX: I'm not even sure I ever

1 knew what that expression meant, but it's not shaped  
2 up.

3 Now, we may learn regrettably that it will  
4 develop into a mother and we'll all be sorry for that,  
5 but so far the case as it's developed hasn't justified  
6 an extension of almost three weeks of the discovery  
7 period against the Postal Service.

8 I will particularly point out that the OCA  
9 in R2001-1, and these are very rough calculations that  
10 we did on the fly, by this time in the case had up to  
11 293 interrogatories. They've only got 77 this time.  
12 Most of them are concentrated in special services.

13 That's not to say there aren't other  
14 important topics that the OCA wants to explore, but I  
15 think the Commission has to keep in mind the interest  
16 of all the participants and particularly the Postal  
17 Service.

18 I know the OCA is very overburdened.  
19 There's a lot going on. There are other cases that  
20 they've been involved in, but the same goes for the  
21 Postal Service and other parties as well. It's not  
22 fair to other Intervenors and the Postal Service to  
23 shortchange the rest of the procedural schedule at the  
24 expense of the Postal Service's discovery period.

25 Everybody who's ever litigated one of these

1 cases knows that if you give more time at the  
2 beginning it means you have less time to spend at the  
3 end. I don't know for sure, but I've heard that there  
4 will be some fairly significant proposals made by  
5 Intervenor, and the other Intervenor have an  
6 interest in what other Intervenor might propose, so  
7 we don't want to shortchange the discovery period  
8 against them and against the OCA because the OCA may  
9 propose something the parties don't like at the  
10 expense of what ultimately will be the Commission's  
11 time for deliberation and writing an opinion.

12 Please understand that a three week  
13 extension on discovery is really a five week extension  
14 of the case; not of the 10 month limit, but of the  
15 procedural schedule because the last interrogatories  
16 have to be answered within 14 days before we can even  
17 begin hearings against the Postal Service.

18 In our spare time we developed proposal  
19 schedules, and the Postal Service did have a proposed  
20 schedule which we refrained from proposing because we  
21 wanted to allow flexibility and room for debate on  
22 this, but if you take the OCA's end of discovery date  
23 and using historical averages for all the other stages  
24 of the case, follow it out through the rest of the  
25 case, not only does it make for a very unpleasant

1 holiday season, which may be unavoidable anyway, but  
2 it only gives the Commission about 30 days to  
3 deliberate and write an opinion.

4 I think you should keep that in mind in  
5 making a decision. We will respond in writing and  
6 probably say most of what I've already said, but I  
7 would conclude by summarizing that this is not the  
8 mother. It's not going to be fair, and it's really  
9 not realistic in the context of history and the  
10 context of what we've actually proposed in this case.

11 CHAIRMAN OMAS: Is there anyone else who  
12 wishes to comment? Mr. Levy?

13 MR. LEVY: Thank you, Mr. Chairman. If one  
14 pursues this family metaphor, maybe this is the  
15 conflictive stepchildren of all rate cases.

16 My clients are of two views on this issue  
17 because on the one hand this is a fairly complex case,  
18 but perhaps not unreasonably so given the issues that  
19 have been teed up and deferred, but as a result of  
20 that there have been a number of instances where  
21 discovery has not been responded to within the  
22 deadlines.

23 There were a couple of outstanding requests,  
24 one from MPA and one from a Commission POIR that are  
25 as of today two weeks overdue undoubtedly because of

1 the complexity and because of other problems, but the  
2 problem is that in turn cascades down because then we  
3 cannot formulate discovery requests that are dependent  
4 on spreadsheets or data or work tables that are still  
5 outstanding.

6 If that were the only consideration, our  
7 inclination would be to join OCA and ask for a very  
8 long extension of the discovery period. On the other  
9 hand, as Mr. Foucheaux points are, we are laboring  
10 under a 10 month deadline unless the Commission lifts  
11 it, and that means that an extension of the discovery  
12 time really is sort of a zero sum game. What's given  
13 here is going to come out of the back end.

14 My clients, while they have concerns about  
15 some aspects of the Postal Service's proposal, very  
16 much support every other aspect. We expect that we  
17 will be in there defending those aspects in the third  
18 round of testimony and in doing discovery and cross-  
19 examination of other Intervenors in the second round  
20 of testimony, and we are concerned that there's too  
21 long an extension and at this point that it will  
22 impair our ability to defend our interests to the  
23 extent that they are aligned with the Postal Service  
24 at the back end.

25 We will file something on Thursday, my

Heritage Reporting Corporation  
(202) 628-4888

1 clients and their allies, but our inclination would be  
2 to support an extension of 10 days, but to oppose an  
3 extension of more than that.

4 Thank you.

5 CHAIRMAN OMAS: Anyone else? Mr.  
6 McLaughlin?

7 MR. MCLAUGHLIN: Mr. Chairman, for Advo we  
8 don't have any particular axe in OCA's issue except  
9 that I think that there is a problem with a blanket  
10 extension of discovery because it really does press  
11 everything else back and compress everything  
12 ultimately, and that is a problem.

13 We run into this in virtually every case  
14 where there's an extension between discovery versus  
15 direct testimony versus time allowed for rebuttal.  
16 Each one of those phases are important.

17 Perhaps you could finesse this a little bit.  
18 A blanket extension means that all discovery for every  
19 witness is extended by 20 days, which seems to me to  
20 be silly. If there are particular witnesses or a  
21 particular set of data or things like that that some  
22 party believes are essential perhaps it's possible to  
23 extend somewhat discovery with respect to one or two  
24 witnesses, the key witnesses for whom the data is very  
25 important.

1           Having just a general extension of discovery  
2   on what the witness said or why he said it on  
3   witnesses for whom there is really no underlying data  
4   issue seems to me very excessive. In the past I  
5   believe the Commission has staggered the appearance of  
6   witnesses, taking into account that some witnesses  
7   have more complex testimony that takes more time to  
8   prepare cross-examination for.

9           So I think that rather than having a blanket  
10   extension there needs to be a little bit of creativity  
11   and a little bit of restraint on the part of the  
12   current concerns from what they tried to do with the  
13   discovery in terms of extensions and narrowing the  
14   scope of the witnesses that they want the discovery  
15   of.

16           CHAIRMAN OMAS: Thank you.

17           Yes?

18           MR. HORWOOD: The Greeting Card Association  
19   is interested in extension. The July 12 date is very  
20   tight. Our experts have been analyzing testimony and  
21   haven't completed it, and we would support an  
22   extension.

23           The August 2 extension does not seem out of  
24   line or something at least close to that. I guess we  
25   would consider something like the staggered extension

1 and think if there is an extension the September 1  
2 date for Intervenor testimony ought to be extended  
3 somewhat. We were going to suggest something like  
4 September 12, which would get us past the Labor Day  
5 holiday.

6 CHAIRMAN OMAS: Thank you.

7 Is there anyone else?

8 MR. BRINKMANN: Mr. Chairman, Bob Brinkmann  
9 on behalf of American Bankers Association, Discover  
10 and Morgan Stanley.

11 I'd like to add our voice to that of David  
12 Levy's for a 10-day extension and suggest my  
13 colleagues can think of that as they want to respond  
14 next Thursday.

15 Our economic consultants are also finding as  
16 we go through the spreadsheets it's a little more  
17 difficult than it has been in past cases, a little  
18 more complex. There's also some headers missing, some  
19 links missing, and while it doesn't affect the  
20 substance of it it has slowed down the analytical  
21 process.

22 Therefore, we feel an extra 10 days would  
23 kind of help us and we would think the other parties  
24 go through the process.

25 CHAIRMAN OMAS: Mr. McKeever?

Heritage Reporting Corporation  
(202) 628-4888



1                   MR. MCKEEVER: Mr. Chairman, we have not yet  
2                   seen the OCA's motion so we will reserve any comments  
3                   until the reply deadline.

4                   There's one point I would make. If we did  
5                   our calculations correctly, were the schedule in this  
6                   case to be based on the schedule in R2000-1 I believe,  
7                   and I would want to double check this, the deadline  
8                   for filing Intervenor's cases would be something like  
9                   September 11.

10                  I think we're right on that. I will double  
11                  check it. That's the only comment I would make at  
12                  this time.

13                  CHAIRMAN OMAS: Thank you.

14                  Is there anyone else?

15                  MS. DREIFUSS: Mr. Chairman?

16                  CHAIRMAN OMAS: I was going to get to you.  
17                  Ms. Dreifuss?

18                  MS. DREIFUSS: Thank you. I'm Shelley  
19                  Dreifuss for the OCA.

20                  I don't find the Postal Service's opposition  
21                  to be unreasonable. It's understandable. We're  
22                  presented with a difficult situation here. Everyone  
23                  who says if you take away at one point you'll have to  
24                  get back at another. Those positions are correct.

25                  I heard some creative suggestions this

1 morning that might make it possible to extend  
2 discovery and still have other dates line up the way  
3 the Commission would like them to line up.

4 Perhaps grouping witnesses, asking the  
5 participants to indicate whether their witnesses -- I  
6 guess you do it in a positive way and say which  
7 witnesses are participants particularly interested in  
8 having an extension for discovery.

9 That might be a way of staggering the  
10 hearing so that those witnesses considered very  
11 important might come at the end to give time for later  
12 discovery questions to be answered and eventually  
13 those pieces of testimony cross-examined, so I would  
14 go in that direction.

15 Perhaps a blanket extension isn't necessary,  
16 but maybe there is a creative way of dividing up the  
17 Postal Service's case so it's still possible to submit  
18 questions for those of great interest to the  
19 participants.

20 CHAIRMAN OMAS: Thank you.

21 Is there anyone else who wishes to respond?

22 MR. FOUCHEAUX: Mr. Chairman?

23 CHAIRMAN OMAS: Mr. Foucheaux?

24 MR. FOUCHEAUX: Dan Foucheaux for the Postal  
25 Service. Just one brief reply.

1           With all due respect to the comments made by  
2       counsel on this issue, this is really not a new  
3       situation. It's not a particularly unusual situation,  
4       and I don't think it calls for extraordinary measures.

5           Just preliminarily, a little comment on this  
6       in writing. The Postal Service would oppose any kind  
7       of a staggered schedule. I think it makes a very  
8       complicated case even more complicated and, quite  
9       frankly, is just not fair to everybody.

10           The only fair way is to treat everything in  
11       lock step. What may be of interest to one party might  
12       not be of interest to another party, and I don't know  
13       how you decide how to group witnesses or whatever. It  
14       would be just very complicated, so the Postal Service  
15       stands by its original proposal.

16           Mr. McKeever is right. The proposal we  
17       made, which was a July 12 cutoff for discovery, is in  
18       lock step with the R2000-1 case, which was another  
19       pretty complicated case.

20           CHAIRMAN OMAS: Thank you, Mr. Foucheaux.

21           Is there anyone else?

22           (Pause.)

23           CHAIRMAN OMAS: In past cases, the presiding  
24       officer has issued full procedural schedules to inform  
25       participants of dates for all hearings and briefs at

1 an early stage of the case. Of course, it has  
2 occasionally been necessary to adjust that procedural  
3 schedule.

4 Does any participant now object to my  
5 providing a full procedural schedule for reference in  
6 the coming days?

7 (No response.)

8 CHAIRMAN OMAS: Thank you. I will issue a  
9 procedural schedule in the near future.

10 On a separate scheduling matter which  
11 involves the Postal Service proposal of a forever  
12 stamp intended for use by individuals, non-commercial  
13 customers to mail first class letters, in a motion  
14 filed with its request the Postal Service asked for  
15 permission to file proposed classification language  
16 and additional testimony to support the forever stamp  
17 proposal at a later time.

18 The motion anticipated that these additional  
19 materials can be submitted less than two months after  
20 the request or by early July. At this point, I would  
21 like counsel for the Postal Service to state when the  
22 additional material on the forever stamp proposal are  
23 likely to be filed.

24 Mr. Foucheaux?

25 MR. FOUCHEAUX: Dan Foucheaux for the Postal

1 Service. Mr. Chairman, I'm reluctant to give you an  
2 exact date. We're going to try to file it shortly  
3 after the week of July 3.

4 One of the main reasons I can't give you a  
5 precise date is everything hasn't been developed yet,  
6 the additional testimony we would need. Quite  
7 frankly, the precise proposal that we will be making  
8 hasn't cleared all review within the Postal Service,  
9 particularly at the very highest level, although I  
10 think we do have a rough idea of what we're going to  
11 be proposing. Once you start writing it down,  
12 sometimes it changes in ways that are not expected.

13 I do believe that we will be able to file  
14 the testimony probably within the week of July 3, but  
15 no later than the week after that.

16 CHAIRMAN OMAS: Thank you.

17 In view of the circumstances cited by the  
18 Postal Service, I am inclined to grant the motion.  
19 However, I recognize that participants must be  
20 afforded an adequate opportunity to explore these  
21 additional late filing materials.

22 After they are filed, I plan to issue a  
23 ruling providing for a special purpose discovery  
24 schedule for about four weeks. I also expect to  
25 schedule hearings on the additional testimony after

1 other Postal Service witnesses have appeared.

2 At this point does any participant wish to  
3 raise any other issue for consideration this morning?

4 (No response.)

5 CHAIRMAN OMAS: There being none, this  
6 conference is adjourned. Thank you.

7 (Whereupon, at 10:45 a.m. the hearing in the  
8 above-entitled matter was concluded.)

9 //

10 //

11 //

12 //

13 //

14 //

15 //

16 //

17 //

18 //

19 //

20 //

21 //

22 //

23 //

24 //

25 //

REPORTER'S CERTIFICATE

DOCKET NO.: R2006-1

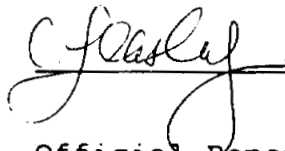
CASE TITLE: Postal Rate and Fee Changes

HEARING DATE: 6/16/06

LOCATION: Washington, D.C.

I hereby certify that the proceedings and evidence are contained fully and accurately on the tapes and notes reported by me at the hearing in the above case before the Postal Rate Commission.

Date: 6/14/06



Official Reporter  
Heritage Reporting Corporation  
Suite 600  
1220 L Street, N.W.  
Washington, D.C. 20005-4018